

Introduced by Senator Alarcon

June 15, 2005

Senate Resolution No. 16—Relative to federal legislation imposing a six-month moratorium on terminations of certain pension plans.

1 WHEREAS, On Tuesday May 10, 2005, 26,000 active and
2 retired United Airlines flight attendants had their hard-earned
3 pension rights thrown into doubt; and

4 WHEREAS, Over 100,000 United Airlines employees and
5 retirees were affected when a bankruptcy court approved an
6 agreement between the Pension Benefit Guarantee Corporation
7 and United Airlines to terminate all employee pension plans for a
8 \$1.5 billion payment; and

9 WHEREAS, The court's approval of this backroom deal has
10 interfered with the right of the United Airlines flight attendants to
11 defend their pension plans through the bankruptcy process based
12 on the merits of the plans as measured against the standards of
13 the Employee Retirement Income Security Act of 1974; and

14 WHEREAS, The Association of Flight Attendants had
15 presented United Airlines with realistic solutions to address
16 funding issues and to ensure viability of their defined benefit
17 plan, which United Airlines rejected before negotiating the
18 agreement that will deprive most United Airlines flight
19 attendants of over half of their modest retirement benefits; and

20 WHEREAS, In making this agreement with United Airlines,
21 the Pension Benefit Guarantee Corporation reversed itself,
22 having publicly declared only days before that the flight
23 attendant's plan could and should be saved; and

24 WHEREAS, These actions threaten defined benefit plans
25 nationwide; and

1 WHEREAS, Representative George Miller has introduced
2 legislation to place a six-month moratorium on the termination of
3 certain pension plans by the Pension Benefit Guarantee
4 Corporation; and

5 WHEREAS, This legislation will permit United Airlines flight
6 attendants to continue to seek judicial review of the decision of
7 the bankruptcy court and of the viability of their pension plan,
8 and will also help to promote retirement security nationwide;
9 now, therefore, be it

10 *Resolved by the Senate of the State of California*, That the
11 Senate respectfully requests the President and the Congress of the
12 United States to support and pass legislation to place a six-month
13 moratorium of the termination of certain pension plans by the
14 Pension Benefit Guarantee Corporation; and be it further

15 *Resolved*, That the Secretary of the Senate transmit copies of
16 this resolution to the author for appropriate distribution.